

REPORT

ST. BERNARD PARISH ADULT
DRUG COURT, INC.

JUNE 30, 2018

ST. BERNARD PARISH ADULT DRUG COURT, INC.

INDEX TO REPORT

JUNE 30, 2018

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 9
SUPPLEMENTARY INFORMATION:	
Statement of Functional Expenses.....	10
Schedule of Compensation, Benefits, and Other Payments to Agency Head	11
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	12 - 13
SCHEDULE OF FINDINGS.....	14



Duplantier
Hrapmann
Hogan &
Maher, LLP

William G. Stamm, CPA
Lindsay J. Calub, CPA, LLC
Guy L. Duplantier, CPA
Michelle H. Cunningham, CPA
Dennis W. Dillon, CPA
Grady C. Lloyd, III CPA

Heather M. Jovanovich, CPA
Terri L. Kitto, CPA

Michael J. O'Rourke, CPA
David A. Burgard, CPA
Clifford J. Giffin, Jr., CPA

A.J. Duplantier, Jr., CPA
(1919-1985)

Felix J. Hrapmann, Jr., CPA
(1919-1990)

William R. Hogan, Jr., CPA
(1920-1996)

James Maher, Jr., CPA
(1921-1999)

New Orleans

1615 Poydras Street,
Suite 2100
New Orleans, LA 70112
Phone: (504) 586-8866
Fax: (504) 525-5888

Northshore

1290 Seventh Street
Slidell, LA 70458
Phone: (985) 641-1272
Fax: (985) 781-6497

Houma

247 Corporate Drive
Houma, LA 70360
Phone: (985) 868-2630
Fax: (985) 872-3833

Napoleonville

5047 Highway 1
P.O. Box 830
Napoleonville, LA 70390
Phone: (985) 369-6003
Fax: (985) 369-9941

INDEPENDENT AUDITOR'S REPORT

December 19, 2018

To the Board of Directors of
St. Bernard Parish Adult Drug Court, Inc.
Chalmette, Louisiana

We have audited the accompanying financial statements of St. Bernard Parish Adult Drug Court, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

www.dhhmcpa.com

Members
American Institute of
Certified Public Accountants
Society of LA CPAs

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Bernard Parish Adult Drug Court, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The supplementary information as listed in the index to report is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2018, on our consideration of the St. Bernard Parish Adult Drug Court, Inc.'s internal control over financial reporting and on our tests of its compliance with laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the St. Bernard Parish Adult Drug Court, Inc.'s internal control over financial reporting and compliance.

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana

ST. BERNARD PARISH ADULT DRUG COURT, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

ASSETS

Cash	\$ 12,640
Due from Juvenile Drug Court	<u>6,442</u>
 TOTAL ASSETS	 <u><u>\$ 19,082</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES:	
Accounts payable	\$ 1,063
Payroll liabilities	<u>1,492</u>
Total liabilities	<u><u>2,555</u></u>
 NET ASSETS:	
Unrestricted	<u>16,527</u>
Total net assets	<u><u>16,527</u></u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 19,082</u></u>

See accompanying notes.

ST. BERNARD PARISH ADULT DRUG COURT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

UNRESTRICTED NET ASSETS:

REVENUES AND SUPPORT:

Grant revenue	\$ 190,000
Program fees	26,575
Interest	25
Total revenues and support	<u>216,600</u>

EXPENSES:

Program services - Drug Court	214,016
General and administrative	18,206
Total expenses	<u>232,222</u>

Change in unrestricted net assets	(15,622)
Net assets at beginning of year	<u>32,149</u>
Net assets at end of year	<u>\$ 16,527</u>

See accompanying notes.

ST. BERNARD PARISH ADULT DRUG COURT, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ (15,622)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Decrease in grants receivable	12,802
Decrease in accounts payable	(15,964)
Increase in payroll liabilities	600
Net cash provided by operating activities	<u>(18,184)</u>
NET CHANGE IN CASH	(18,184)
CASH AT BEGINNING OF YEAR	<u>30,824</u>
CASH AT END OF YEAR	<u>\$ 12,640</u>

See accompanying notes.

ST. BERNARD PARISH ADULT DRUG COURT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

DESCRIPTION OF OPERATIONS:

The St. Bernard Parish Adult Drug Court, Inc. (ADC) is a nonprofit entity established to provide an alternative to the singularly directed, traditional criminal justice case management system of pursuing only punitive based sanctions in response to drug addiction of incarceration and its resultant increased costs in public resources to little or no avail in addressing, diminishing, or reducing criminal activity related to drug addiction and its consequences. This program includes the administration of the St. Bernard Parish Adult Drug Court, Inc. which is a part of the 34th Judicial District Court. At June 30, 2018, the ADC consisted of one full-time and three part-time employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A summary of the major accounting policies followed in the preparation of the accompanying financial statements is set forth below:

Basis of Accounting and Presentation:

The financial statements are prepared using the accrual basis of accounting. Revenues are recorded when earned and expenses recorded when they are incurred.

The statement of functional expenses charges expenses directly to supporting program services or general and administrative categories based on specific identification. Expenses which cannot be functionally categorized are allocated between functions based upon management's estimate of usage applicable to conducting those functions.

Support and Revenue:

As the State of Louisiana is the ADC's major source of revenue, all grant receivables are expected to be fully collectible. Therefore, no provision for uncollectible grant income has been recognized in the accompanying financial statements. A significant reduction in the level of support provided by the State of Louisiana could have a significant impact on the ADC's activities.

The ADC charges a \$200 program entry fee to individuals applying for entry into the ADC's Drug Court Program. The fees are used to process the applicant's paperwork (including background check). The program entry fees are non-refundable.

In addition, the ADC charges a \$10 drug testing fee for each test required to be administered to an ADC program participant. The \$10 fee is charged and payable at the time of testing. Failure to pay the \$10 fee results in a sanction against the ADC participant.

ST. BERNARD PARISH ADULT DRUG COURT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Support and Revenue: (Continued)

Through an agreement with the St. Bernard Parish District Attorney's office, the ADC services pre-plea clients. This program is for first time offenders who have drug charges brought against them and who exhibit high-risk behavior which disqualifies them from participating in the District Attorney's Diversion Program. Each pre-plea client must pay a \$750 non-refundable program entry fee and a \$50 per month supervisory fee as well as the \$10 drug testing fee referenced above.

Cash:

Cash includes demand deposits/accounts.

Income Taxes:

The ADC qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. However, should the ADC engage in activities unrelated to its exempt purpose, taxable income could result.

The ADC's Federal Return of Organization Exempt from Income Tax (Form 990) for 2018, 2017, 2016, and 2015 are subject to examination by the IRS, generally for three years after they were filed.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of support and revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Statement of Cash Flows:

For the purposes of the statement of cash flows, the ADC considers cash and cash equivalents to be all items designated as cash on the statement of financial position.

Financial Statement Presentation:

The ADC follows FASB Accounting Standards Codification (ASC) 958-205, *Financial Statements for Not-for-Profit Organizations*. Under FASB ASC 958-205, the ADC is required

ST. BERNARD PARISH ADULT DRUG COURT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Financial Statement Presentation: (Continued)

to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted assets. The ADC does not currently have any temporarily or permanently restricted net assets.

Contributions:

The ADC records its public support in accordance with FASB ASC 958-605, *Revenue Recognition*. In accordance with FASB ASC 958-605, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

All contributions are considered to be unrestricted and available for use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases these net asset classes. However, if a restriction is fulfilled in the same reporting period in which the contribution is received, the ADC reports the support as unrestricted.

2. CASH:

The ADC's cash balance consists of undeposited funds and interest bearing demand deposits maintained at a local financial institution. Deposits are insured up to \$250,000 per depositor by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2018, undeposited funds were \$280, and the ADC's bank balance totaling \$12,360 was fully covered by FDIC insurance.

Interest bearing demand deposits	\$ 12,360
Undeposited funds	<u>280</u>
	<u>\$ 12,640</u>

3. UNCERTAINTY IN INCOME TAXES:

The ADC elected to adopt the provisions of FASB ASC 740, *Accounting for Uncertainty in Income Taxes*. The ADC files information returns in the U.S. federal jurisdiction. The ADC has taken no tax positions that it considers to be an uncertain tax position.

ST. BERNARD PARISH ADULT DRUG COURT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

4. RELATED PARTY TRANSACTIONS:

As of June 30, 2018, the ADC was owed \$6,442 from the St. Bernard Parish Juvenile Drug Court, Inc. (JDC). The ADC makes advances to the JDC to cover general operating expenses. The JDC then reimburses the ADC as funding is received. The ADC and JDC share common control as both entities' board of directors are made up of the Judges of the 34th Judicial District Court.

The St. Bernard Parish Adult Drug Court, Inc. shares office space with the St. Bernard Parish Juvenile Drug Court, Inc. Office expenses, including telephone and internet charges, are allocated between the ADC and JDC based on the number of participants in each program during the month. During the year ended June 30, 2018, office expenses incurred by ADC related to the shared office space was \$6,963. Office expenses incurred by JDC during the year ended June 30, 2018, was \$1,695.

5. DATE OF MANAGEMENT'S REVIEW:

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 19, 2018, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in the financial statements.

ST. BERNARD PARISH ADULT DRUG COURT, INC.
 SUPPLEMENTARY INFORMATION
 STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Program</u>	<u>Administrative</u>	<u>Total</u>
Accounting and auditing	\$ -	\$ 10,385	\$ 10,385
Fees and finance charges	-	92	92
Insurance	2,602	459	3,061
Membership, dues, and subscriptions	816	-	816
Miscellaneous	2,455	-	2,455
Office expense	6,267	696	6,963
Payroll and payroll taxes	82,012	6,574	88,586
Testing and laboratory	27,796	-	27,796
Transportation	77	-	77
Travel and training	4,327	-	4,327
Treatment expense	<u>87,664</u>	<u>-</u>	<u>87,664</u>
	<u>\$ 214,016</u>	<u>\$ 18,206</u>	<u>\$ 232,222</u>

ST. BERNARD PARISH ADULT DRUG COURT, INC.
SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2018

Agency Head Name: Nicolle Tourdot

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 40,675
Benefits - insurance	3,061
Benefits - cell phone	1,056
Registration fees	1,645
Reimbursements - office expense	1,181
Reimbursements - taxes and licenses	15
Reimbursements - transportation	77
Reimbursements - travel and training	<u>772</u>
	<u>\$ 48,482</u>



Duplantier
Hrapmann
Hogan &
Maher, LLP

William G. Stamm, CPA
Lindsay J. Calub, CPA, LLC
Guy L. Duplantier, CPA
Michelle H. Cunningham, CPA
Dennis W. Dillon, CPA
Grady C. Lloyd, III CPA

Heather M. Jovanovich, CPA
Terri L. Kitto, CPA

Michael J. O'Rourke, CPA
David A. Burgard, CPA
Clifford J. Giffin, Jr., CPA

A.J. Duplantier, Jr., CPA
(1919-1985)
Felix J. Hrapmann, Jr., CPA
(1919-1990)
William R. Hogan, Jr., CPA
(1920-1996)
James Maher, Jr., CPA
(1921-1999)

New Orleans
1615 Poydras Street,
Suite 2100
New Orleans, LA 70112
Phone: (504) 586-8866
Fax: (504) 525-5888

Northshore
1290 Seventh Street
Slidell, LA 70458
Phone: (985) 641-1272
Fax: (985) 781-6497

Houma
247 Corporate Drive
Houma, LA 70360
Phone: (985) 868-2630
Fax: (985) 872-3833

Napoleonville
5047 Highway 1
P.O. Box 830
Napoleonville, LA 70390
Phone: (985) 369-6003
Fax: (985) 369-9941

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

December 19, 2018

To the Board of Directors of
St. Bernard Parish Adult Drug Court, Inc.
Chalmette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the St. Bernard Parish Adult Drug Court, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 19, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the St. Bernard Parish Adult Drug Court, Inc.'s internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Bernard Parish Adult Drug Court, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the St. Bernard Parish Adult Drug Court, Inc.'s internal control.

www.dhhmcpa.com

Members
American Institute of
Certified Public Accountants
Society of LA CPAs

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Bernard Parish Adult Drug Court, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the St. Bernard Parish Adult Drug Court, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana

ST. BERNARD PARISH ADULT DRUG COURT, INC.
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018

Auditor's Opinion:

The opinion issued on the financial statements of the St. Bernard Parish Adult Drug Court, Inc. for the year ended June 30, 2018 was unmodified.

Internal Control over Financial Reporting:

Material weaknesses: None noted.

Significant deficiencies: None noted.

Noncompliance material to financial statements: None noted.

Summary of Prior Year Findings:

None noted.